

ARIZONA DEPARTMENT OF CORRECTIONS
OPERATING PER CAPITA COST REPORT
FY 2006 TECHNICAL MANUAL



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OPERATING PER CAPITA COST REPORT FY 2006 TECHNICAL MANUAL

The Arizona Department of Corrections (ADC) annually prepares an Operating Per Capita Cost Report (Cost Report). The Cost Report provides the total annual operating costs and average daily operating costs incurred by ADC to incarcerate inmates in state operated prisons and contract prisons, and in its community supervision program.

The ADC Cost Report is based on cost and data incurred during the State Fiscal Year ended June 30, 2006 (FY 2006). The Cost Report provides information on the average daily inmate population (ADP) and total operating costs of both ADC operated prisons and contract prisons, both public and private. In addition to ADP, information on contract prisons includes actual contract payments to vendors and costs incurred by ADC to administer and monitor contract compliance. Information on ADC's operated prisons includes ADP and costs by state prison complex, prison unit, custody level, and gender. Cost information provided includes total annual operating costs, the average annual costs per inmate, and the average daily cost per inmate.

SOURCES OF INFORMATION

FY 2006 Costs

ADC provided the FY 2006 operating costs, both appropriated and non-appropriated, in a file called "Brian Detail File for 2006 Sorted". This Excel file consists of numerous tabs that detail the actual operating costs for ADC.

The breakdown of tabs is as follows:

- PIVOT - A list of expenditures by fund with sorting capabilities.
- DATA SOURCE - A detailed list of line-item expenditures that defines costs at the lowest level of the accounting string.
- INDEX - A list of the accounting structure as defined by the assigned index for each area.
- COBJ - A list of the object and co-object accounting codes.

The detail of appropriated and non-appropriated expenditures funds is included in Section VII of this report.

A more specific explanation of how this information was adapted into the spreadsheet format used as the basis for detailed expenses by category is contained in Appendix A at the back of this manual.

Comprehensive Annual Financial Report (CAFR)

ADC supplied a copy of the section of FY 2006 State of Arizona Comprehensive Annual Financial Report (CAFR) that included the summary expenditures pertaining to the Department of Corrections. Detailed adjustments made to the expenditures for year-end were also provided. By adding the adjustments into the expenditures, the final numbers used in the analysis were balanced to the final CAFR numbers.

Costs of services provided by other state agencies in support of ADC operations and equipment and facility depreciation have not been included. All cost information in the Cost Report reconciles to ADC's actual financial information as recorded on the Arizona Uniform Statewide Accounting System. Both direct and indirect operating costs incurred by ADC have been identified and assigned to state operated prisons, contract prisons, community supervision or other cost objective. Direct costs are costs directly incurred by and/or for the benefit of ADC operated prison units, contract prisons, community supervision or other cost objective. Indirect costs are costs of ADC administration, support units, and program support units. Indirect costs have also been allocated to benefiting state operated prisons, contract prisons, community supervision, and other cost objective, utilizing a multiple allocation base methodology that is in accordance with generally accepted accounting principles.

The following five cost objectives have not been utilized in determining the total or average daily operating costs of prisons:

- Inmate High Health - Health costs for inmates exceeding \$10,000 per inmate health event have not been included. These costs vary from year to year by prison and over which ADC has little control. The inclusion of these costs would not enable a valid comparison of ADC operations from year to year. Normal day-to-day health costs are included in the costs of each state operated complex and/or prison unit.
- Apache County Lease - An annual capital lease payment on a prison constructed by Apache County Arizona.
- Arizona Corrections Industries (ACI) - ACI is a self funded enterprise entity assigned to ADC. ACI provides opportunities for inmates to learn and develop job skills through actual employment.
- CJEF County Pass Thru - ADC passes thru criminal justice enhancement funds to counties. These funds are not used for ADC prison operations.
- Capital Outlays - Costs of equipment, new facilities, and facility improvements that are capitalized by the State and subsequently depreciated for financial reporting purposes. Capital outlays are considered non operating costs. Depreciation on buildings, improvements, and equipment are included in operating costs.

Average Daily Population

ADC provided files called "5A DATA FILE W 595.5 FTE REDUCTION", "ADP ALL IN", and "ADP ALL OUT". There were numerous tabs that defined both the inside and outside population counts for FY 2006, broken out by custody level within each facility. This information was used to estimate average daily population by facility and by custody level, which provided the overall basis for determining per diem costs of operation. A detailed explanation of ADP calculations is included in Section VI.

Number of Employees

ADC provided a hard copy report of the number of positions (FTEs) for each location, custody level, and program. This information was used to create allocation bases for those indirect expenditures best measured by the number of FTEs served.

State Central Services

A summary copy of the Statewide Cost Allocation Plan (SWCAP) for FY 2006 was provided. This list served as the basis for the allocation of indirect statewide costs to each department of the State, and in turn, the amount to be allocated throughout the Department of Corrections.

Depreciation

The Arizona Department of Administration was asked to provide a report detailing depreciation expenses for buildings and improvements, as well as equipment, pertaining to ADC. A depreciation key was obtained from ADC to define the location code assigned for equipment depreciation. Sorting the information by location provided the basis for depreciation expenses allocated in the plan.

CONTACTS FOR INFORMATION

The following details the persons who provided information for the report:

FY 2006 Appropriations Request

Ken Weese, ADC Budget Administrator, provided file containing the number of FTEs for FY 06.

Private Contract Rates

Ken Weese, ADC Budget Administrator, provided file titled "*Maximus Private Prison Per Diem.xls*" which shows the rates in effect for the FY 05 and FY 06 periods based on report from Denel Pickering, ADC Procurement.

Depreciation

Evan Chang, General Accounting Office, State of Arizona Department of Administration, was contact person for depreciation amounts.

Chuck Scott, ADC, was contact for property inventory numbers.

FTE Information

"06 FTE BY PRISON" file was used to create FTE information.

High Health

Karen Menosky, ADC, provided file titled "*HighCostExpendituresFY06.xls*" showing what was spent in FY 06 for High Cost.

Programs

Mary Ann Roder, ADC Business Administrator, Program Services Division, provided the file titled "*05 and 06 PerCap.xls*".

Douglas Complex

Veronica Abrigo, Executive Staff Assistant, Arizona State Prison Complex (ASPC) -Douglas, provided file titled "*Per Capita Cost Report.011007.doc*".

Eyman Complex

Shari Bowman provided a file titled "*MAXIMUS.xls*". The percentage listed is the daily percentage of time spent on activities related to each area. The percentages are calculated to their annual salaries and ER. The WIPP wages, WIPP hours and meals paid are actual totals paid.

Florence Complex

Kurt Meyer, ASPC-Florence, provided file titled "*maximus.xls*".

Lewis Complex

Maria Vera-Martin, Business Administrator, CNT Commander, ASPC-Lewis Complex, provided file titled "*Information for Per Capita Maximus Report.xls*".

Perryville Complex

Jullie Dominy, Supervisor, Inmate Trust Accounts, ASPC-Perryville, provided file titled "*PERCAPITACOSTSFY2006,2007pv.xls*".

Phoenix Complex

Vanessa English provided a file titled "*Maximus per capita cost Rev 011007.xls*".

Safford Complex

Vivian Villalba, ASPC-Safford, provided file titled "Per Capita Jan 2008.xls".

Winslow Complex

Mary Campbell of ADC provided the file titled "*Per Capita Costs FY2006,2007.xls*".

Yuma Complex

Richard Evitch provided file titled "per capita costs.xls".

BASIS OF ALLOCATIONS OF INDIRECT COSTS

General Methodology - The methodology required detail analysis of indirect services and their costs, and the utilization of an appropriate allocation base for each service and/or service activity. For example, costs of the Budget, Planning & Research Section have been allocated on total Department expenditures; costs of the Human Services Section have been allocated on the number of full time equivalent (FTE) positions; costs of the Inspector General have been allocated to state operated, contract prisons, and the community supervision program based on total ADP; and costs the Facilities Activation Unit have been allocated only to state operated prisons based on the ADP of state operated prisons. In selecting an allocation base, the objective has been to utilize a base for each service that is available and reasonably results in the allocation of costs based on relative benefit provided or derived.

Exhibit I, Indirect Cost Allocation, provides a list of the indirect services, the allocation base utilized for each service, and the major direct cost categories to which each service was allocated. Costs of services that have been identified as allocating to "Allocated Indirectly to All" are costs that have been allocated to other indirect services, included with the direct costs of those services, and subsequently allocated to benefiting direct programs.

Allocation Descriptions

State Central Services - These are costs from the State SWCAP to ADC that are distributed and allocated as follows:

- Fiscal - Costs most related to financial items are allocated on total expenses of departments served.
- Personnel - Costs most related to employees are allocated on the number of full time equivalent positions (FTEs).

- **Facility** - Costs associated with occupancy of the buildings are allocated on the FTEs of administrative areas only.

SS-Agency Employee Insurance - Costs of employee insurance are allocated on the number of FTEs served.

SS-Agency Support - Costs of agency support which includes human services, training, administrative services, investigations, education, management of security, offender operations, program services, health care, and divisional director support are allocated directly to the indirect departments where costs are captured. Capital costs are allocated directly to capital costs, since depreciation has already been allocated.

Office of Director - Seventy-five percent of director's office salary costs plus all related department expenses are allocated on the average daily population of all state operated facilities and contract entities. Twenty-five percent of the director's office salaries are allocated on the total FTEs in the department.

SS-Divisional Support - Costs except capital relating to support at the divisional level are allocated on FTEs in the indirect departments served. Capital costs are allocated directly to capital, since depreciation has already been allocated.

SS-Divisional Director - Costs relating to the support services director are allocated on FTEs in the indirect departments served.

SS-Building Services - Support costs relating to building services are allocated on FTEs in the indirect departments served.

SS-Facilities Activities - Support costs relating to facility activities are allocated on the average daily population of all state complexes.

SS-IT Information Technology - Excluding capital, 20% of costs related to information technology support are allocated on the number of FTEs in the department. Again excluding capital costs, 80% of costs related to information technology are allocated on the average daily population of all state complexes and community supervision.

SS-Radio Communications - Costs except capital associated with radio communications are allocated on the average daily population for all state operated facilities and contract entities. Capital expenses are allocated directly to capital costs, since depreciation has already been allocated.

SS-Environment Assessment - Eloy - Costs associated with the environmental assessment are allocated directly to Florence Complex.

SS-Administrative Services - Costs associated with various administrative services are allocated as follows:

- Administration - Costs of administration are spread proportionally over other categories of administrative expenses.
- Purchasing - Costs of purchasing are allocated on average daily population for all detainees.
- Business Office - Costs related to the business office are allocated on expenses of the support service areas.
- Finance Accounting - Costs of financial accounting are allocated on the total expenses of all departments.
- Finance Inmate - Costs related to inmate finances are allocated on average daily population for all detainees.
- Finance Payroll - Costs of payroll services are allocated on the total number of FTEs.
- Fleet/Inventory - Costs of fleet are allocated on average daily population of state complexes and community supervision.

SS-Inspector General - All costs with the exception of environmental are allocated on the average daily population of all departments. Environmental costs are allocated on the average daily population in state facilities only.

SS-Training - Costs associated with the correctional officers training academy (COTA) are allocated on the average daily population of state complexes only. Staff development costs are allocated on the total number of FTEs.

SS-Budget and Planning - Costs associated with preparing the annual budget are allocated on the total expenses of all departments.

SS-Human Services - Costs associated with human services are allocated on the total number of FTEs.

PS-Division Director - Costs except capital associated with the Director of Program Services are allocated on the average daily population for all state operated facilities and contract entities. Capital expenses are allocated directly to capital costs since depreciation has already been allocated.

PS-Healthcare - Costs associated with healthcare are allocated as follows:

- ADP All - Mandated costs and medical records are allocated on the average daily population of all detainees, with the exception of community supervision.
- ADP State - Medical, dental, nursing, and pharmacy costs are allocated on the average daily population of security levels in the complexes.

- High Health - Health costs exceeding \$10,000 are allocated directly to High Health and not included in the comparison.

PS-Other Program Services - Costs associated with other program costs are allocated as follows:

- ADP All - Counseling, testing, education and volunteers are allocated on the average daily population of all detainees, with the exception of community supervision.
- ADP Complexes - Offender support costs are allocated on the average daily population of security levels in the complexes.
- Capital - Capital costs are allocated directly to capital, since depreciation has already been allocated.

OO-C/O Offender Services - C/O offender services are allocated as follows:

- General - Personnel, central budget, and security costs are allocated on the average daily population of all detainees.
- State Facility - COTA costs are allocated on the average daily population of units within the state complexes.
- Capital - Capital costs are allocated directly to capital, since depreciation has already been allocated.

Violent Offender Grant - Costs are allocated as follows:

- Prison Direct - Costs for CCA Diamondback and Reeves County are allocated directly to Watonga and Reeves County, respectively.
- Capital Direct - Douglas construction costs are allocated directly to capital, since depreciation has already been allocated.

Other Grants - Costs from other grants are allocated as follows:

- Minor Programs - Title I new/delinquent and National School Breakfast Grants are allocated directly to Tucson Rincon.
- Women's Programs - The RSAT-Women Grants are allocated to the specific entities served on average daily population of those facilities.
- Men's Programs - The RSAT-Men Grants are allocated to the specific entities served on average daily population of those facilities.

- All ADP - Grants for workplace and community training, RSAT-Progressive, RSAT-Aftercare, Domestic Prepared, Victims of Crime, IDEA and others are allocated on the specific entities served on average daily population of those facilities.
- ADP State - Grant costs related to personnel, medical, professional, risk, building rent, and repair are allocated on the specific entities served on average daily population served.
- Capital - Capital costs are allocated directly to capital, since depreciation has already been allocated.

Other Non-Appropriated - Other non-appropriated costs are allocated as follows:

- ADP All - Personal, legal, telecommunications, supplies, printing, furniture, other special services, and victim rights costs are allocated on the average daily population of all detainees.
- ADP State - Education and training, books, chemical abuse, other ISA, drug treatment, and RM program costs are allocated on average daily population of all units in the respective complex.
- Minors - Governor's child office costs are allocated directly to Tucson Rincon Mountain programs.
- FTE Departments - Compensatory leave costs are allocated on the total number of FTEs.
- Complexes - Costs related to complexes are allocated on actual expenses at various complexes.
- Capital - Construction and other capital costs are allocated directly to capital, since depreciation has already been allocated.

Administrative Adjustments - Administrative adjustments made to CAFR after the closing of expenses are allocated as follows:

- ADP All - Legal, telecommunications, and central budget adjustments are allocated on the average daily population of all detainees.
- ADP State - Medical and COTA Adjustments are allocated on average daily population of all security levels in the respective complexes.
- Complex Programs - Complex program adjustments are allocated on actual expenses by facility.

- High Health - High health adjustments are allocated directly to High Health.
- Private Prisons - Private prisons adjustments are allocated on actual expenses by facility.
- Other - Other adjustments are allocated directly on actual expenses by source.

Individual Complex - For each prison site, general expenses are allocated within the complex by level of security, then by type of major expense within the level of security. The categories for allocated expenses and the allocation methods are as follows:

- WIPP - WIPP expenses are allocated on the actual WIPP expense at each lower level.
- Discharge - Discharge costs are allocated on the average daily population in each level of security.
- Food - Food costs are allocated on the average daily population in each level of security.
- Transportation - Transportation costs are allocated on the average daily population in each level of security.
- Programs - Costs of programs are allocated on the average daily population in each level of security.
- Depreciation - Depreciation costs are allocated on the average daily population in each level of security.
- APP General - All other expenses are allocated on the average daily population in each level of security.
- Indirect - Indirect costs from other support functions are allocated on the average daily population in each level of security.
- Capital - Capital expenses are allocated directly to capital, since depreciation has already been allocated.

Example of above:

- The Douglas Complex expenses are allocated to the following:
 - WIPP - Allocated to DG-Eggers WIPP, DG-Gila WIPP, DG-Maricopa WIPP, DG-Papago WIPP, and DG-Mohave WIPP.
 - Discharge - Allocated to DG-Eggers Discharge, DG-Gila Discharge, DG-Maricopa Discharge, DG-Papago Discharge, and DG-Mohave Discharge.

- Food - Allocated to DG-Eggers Food, DG-Gila Food, DG-Maricopa Food, DG-Papago Food, and DG-Mohave Food.
- Transportation - Allocated to DG-Eggers Transportation, DG-Gila Transportation, DG-Maricopa Transportation, DG-Papago Transportation, and DG-Mohave Transportation.
- Programs - Allocated to DG-Eggers Programs, DG-Gila Programs, DG-Maricopa Programs, DG-Papago Programs, and DG-Mohave Programs.
- Depreciation - Allocated to DG-Eggers Depreciation, DG-Gila Depreciation, DG-Maricopa Depreciation, DG-Papago Depreciation, and DG-Mohave Depreciation.
- General - Allocated to DG-Eggers Other Costs, DG-Gila Other Costs, DG-Maricopa Other Costs, DG-Papago Other Costs, and DG-Mohave Other Costs.
- Indirect - Allocated to DG-Eggers, DG-Gila, DG-Maricopa, DG-Papago, and DG-Mohave.
- Capital - Allocated direct to Capital.

All other main facilities including Eyman, Florence, Lewis, Perryville, Phoenix, Safford, Tucson Winslow, and Yuma are allocated in a like manner, respectively.

Individual Security Levels Within Complexes - The direct expenses that are identified by security level within each complex are allocated as follows:

- WIPP - WIPP costs are allocated on the average daily population in each level of security.
- Food - Food costs are allocated on the average daily population in each level of security.
- Other - Other costs are allocated on the average daily population in each level of security.
- Capital - Capital expenses are allocated directly to capital, since depreciation has already been allocated.

Example of above:

- Douglas-Eggers expenses are allocated as follows:
 - WIPP - Allocated to DG-Eggers WIPP.
 - Food - Allocated to DG-Eggers Food.

- Other - Allocated to DG-Eggers Direct.
- Capital - Capital expenses are allocated directly to capital, since depreciation has already been allocated.

Douglas-Gila, Douglas, Maricopa, Douglas-Papago, and Douglas-Mohave are all allocated in the same manner, respectively.

All other main facilities are organized and allocated in a similar manner, respectively.

Private Prison Oversight - Actual costs pertaining to oversight of private prison contracts are allocated on the following:

- Oversight - All expenses except capital are allocated on the average daily population of Marana, Florence West-RTC, Florence West-DUI, Kingman, and Phoenix West.

Coconino County - Costs pertaining to state detention in Coconino County are allocated either to Coconino County oversight or directly by major expense category, such as Coconino-WIPP, Coconino-Discharge, or Coconino-Payments.

Navajo County - Costs pertaining to state detention in Navajo County are allocated either to Navajo County oversight or directly by major expense category, such as Navajo-WIPP, Navajo-Discharge, or Navajo-Payments.

Marana - Costs pertaining to state detention in Marana County are allocated either to Marana County oversight or directly by major expense category, such as Marana-WIPP, Marana-Discharge, or Marana-Payments.

Florence-West - Costs pertaining to state detention in Coconino County are allocated either on the average daily population of Florence RTC-Contract, Florence West RTE-Emergency, Florence West DUI-Contract, and Florence West RTC-Emergency or directly by major expense category, such as Florence West-WIPP, Florence West-Discharge, or Florence West-Payments.

Kingman - Costs pertaining to state detention in Kingman are allocated either to Kingman oversight or directly by major expense category, such as Kingman-WIPP, Kingman-Discharge, or Kingman-Payments.

Phoenix West - Costs pertaining to state detention in Coconino County are allocated either on the average daily population of Phoenix West-Contract OS and Phoenix West-Emergency OS or directly by major expense category, such as Phoenix West-WIPP, Phoenix West-Discharge, or Phoenix West-Payments.

Newton - Costs pertaining to state detention in Newton are allocated either to Newton oversight or directly by major expense category, such as Newton-WIPP, Newton-Discharge, or Newton-Payments.

Watonga - Costs pertaining to state detention in Watonga are allocated either to Watonga oversight or directly by major expense category, such as Watonga-WIPP, Watonga-Discharge, or Watonga-Payments.

Reeves County - Costs pertaining to state detention in Reeves County are allocated either to Reeves County oversight or directly by major expense category, such as Reeves-WIPP, Reeves-Discharge, or Reeves-Payments.

Community Supervision - Costs except capital pertaining to community supervision are allocated directly to Community Supervision-Direct. Capital is allocated directly to Capital Expenditures.

County Jails - Costs pertaining to county jails are allocated to County Jails-Direct.

Lease Purchase Payment - Costs pertaining to lease purchase payments are allocated to Lease Purchase-Direct.

ACI - Costs pertaining to ACI are allocated to ACI-Direct.

Criminal Justice Enhancements - Costs pertaining to criminal justice enhancements are allocated to CJEF-Direct.

Capital Improvements - Costs pertaining to capital improvements are allocated to Capital Expenditures.

COST REPORT FORMAT

The Cost Report is comprised of the following seven sections:

- **Section II: Department Summaries** - Exhibits in this Section provide the ADP, total operating costs, and average daily per capita costs for each state prison custody level, contract prison, and the community supervision program.
- **Section III: State Operated Prisons by Custody Level and Gender** - Exhibits in this Section provide the total operating costs and average daily per capita costs for state operated prisons by custody level and by gender.
- **Section IV: State Operated Prisons by State Complex** - Exhibits in this Section provide the total operating costs and average daily per capita costs for state operated prisons by state complex.
- **Section V: State Operated Prisons by Custody Level** - Exhibits in this Section provide the total operating costs and average daily per capita costs for state operated prisons by custody level. For each custody level, costs are provided by prison unit and in total.

- **Section VI: Average Daily Inmate Population** - Exhibit VI in this Section provides ADC's FY 2006 ADP. The Exhibit also provides the number of months each prison unit or contract prison was utilized during FY 2006.
- **Section VII: Department Operating Expenditures** - Exhibit VII in this Section provides ADC total FY 2006 operating expenditures by fund, both appropriated and non-appropriated.
- **Section VIII: Historical Per Capita Cost Information** - Exhibits in this Section provide historical per capita cost information for the last ten years, FY 1996 through FY 2006.

To create these sections and exhibits, a comprehensive spreadsheet was prepared as the base for all information. It was derived from the cost allocation plan detailed summary, which in turn was based on all the allocation of costs previously described. Each of the sections and the exhibits pertaining to them are described in detail below.

SECTION II: DEPARTMENT SUMMARIES

Exhibits in this Section provide the ADP, total operating costs, and average daily per capita costs for each state prison custody level, contract prison, and the community supervision program.

Exhibit II-A: Operating Per Capita Cost Summary

The Exhibit provides the ADP, total operating costs and average daily per capita costs for state operated prisons, contract prisons, and community supervision. State operated prison costs are provided by custody level and by gender. Contract prison costs are provided by vendor for in-state public, in-state private, and out-of-state. The Exhibit is formatted as follows:

- Description - Custody level, gender, or contract vendor.
- ADP - Average daily inmate population for the year.
- State Operations - Costs directly associated with the operation of state operated prisons and community supervision.
- Contract Payments - Contract payments to vendors.
- Other Costs - Costs directly attributable to contract prisons.
- Total Direct - Total costs directly associated with each prison, sum of the first three cost columns.
- Indirect - Allocated costs of central office administration and support.

- Total Costs - Total direct and indirect costs.
- Contract Payment Per Capita - The average daily cost paid to the vendor to incarcerate an inmate.
- Contract Other Per Capita - The average daily cost incurred for other direct and indirect costs related to a contract prison.
- Total Daily Per Capita - The total average daily per capita cost to incarcerate an inmate.

Exhibit II-B: Total Operating Expenditure Summary

The Exhibit provides ADC's total operating costs. The Exhibit includes all ADC operating costs and reconciles to ADC's total operating expenditures as presented on Exhibit VII, Department Operating Expenditures by Fund, in Section VII of the Cost Report. State operated prison costs are provided by State prison complex. The exhibit is formatted the same as Exhibit II-A. The following additional costs are presented on Exhibit II-B:

- High Health - Health costs for inmates exceeding \$10,000 per inmate. Normal day-to-day health costs are included in the costs of each state operated complex and/or prison unit.
- Apache County Lease - Lease purchase payment on prison constructed by Apache County Arizona.
- AZ Correction Industries - Costs of AZ Corrections Industries which is a self funded entity of the Department.
- CJEF County Pass Thru - Criminal Justice Enhancement Funds (CJEF) that ADC passes thru as aid to counties.
- Capital Outlays - Costs of equipment, new facilities, and facility improvements that are capitalized by the State and depreciated.

SECTION III: STATE OPERATED PRISONS BY CUSTODY LEVEL AND GENDER

Exhibits in this Section provide the total operating costs and average daily per capita costs for state operated prisons by custody level and by gender.

Exhibit III-A: Total Operating Cost and Average Daily Per Capita Costs

The Exhibit provides the total operating costs incurred to incarcerate all inmates in each custody level and by gender. An average daily per capita cost for each custody level and gender is also provided. The Exhibit is formatted as follows:

- Custody Level - The security level.
- ADP - Average daily inmate population.
- Food - Costs of inmate food.
- Programs - Costs associated with the provision of health, education, drug treatment and other inmate programs.
- Transport - Costs associated with the transportation of inmates between intake and their assigned prison (both ADC and private), ADC prison to ADC prison, and ADC prison to private prison.
- WIPP & Discharge - Work Incentive Payment Plan (WIPP) and costs associated with the discharge of prisoners from custody. WIPP costs are payments to inmates for work they perform.
- Operation, Maintenance & Security - Costs associated with the general operation and maintenance of prison facilities, and security costs.
- Total Direct - Total costs directly associated with each custody level.
- Indirect - Allocated costs of central office administration and support.
- Total Annual Costs - The total costs, both direct and indirect, incurred by each custody level.
- Daily Per Capita - The average daily per capita cost to incarcerate an inmate in each custody level. Average daily per capita costs are determined by dividing total annual costs by ADP, and then by the number of days in the year.

Exhibit III-B: Average Per Capita Annual and Daily Operating Costs

The Exhibit provides the average annual costs incurred to incarcerate a single inmate in each custody level and by gender. The Exhibit is formatted the same as Exhibit III-A and provides the same information, only for a single inmate.

SECTION IV: STATE OWNED PRISONS BY STATE COMPLEX

Exhibits in this Section provide the total operating costs and average daily per capita costs for state operated prisons by state complex.

Exhibit IV-A: Total Operating Costs and Average Daily Per Capita Costs

The Exhibit provides the total operating costs incurred to incarcerate all inmates at each state

prison complex and unit. An average daily per capita cost for each state prison complex and unit is also provided. The Exhibit is formatted as follows:

- Complex/Unit - Title of the prison unit.
- ADP - Average daily inmate population.
- Food - Costs of inmate food.
- Programs - Costs associated with the provision of health, education, drug treatment and other inmate programs.
- Transport - Costs associated with the transportation of inmates between intake and their assigned prison (both ADC and private), ADC prison to ADC prison, and ADC prison to private prison.
- WIPP & Discharge - Work Incentive Payment Plan (WIPP) and costs associated with the discharge of prisoners from custody. WIPP costs are payments to inmates for work they perform.
- Operation, Maintenance & Security - Costs associated with the general operation and maintenance of prison facilities, and security costs.
- Total Direct - Total costs directly associated with each custody level.
- Indirect - Allocated costs of central office administration and support.
- Total Annual Costs - The total costs, both direct and indirect, incurred by each custody level.
- Daily Per Capita - The average daily per capita cost to incarcerate an inmate in each custody level. Average daily per capita costs are determined by dividing total annual costs by ADP, and then by the number of days in the year.

Exhibit IV-B: Average Per Capita Annual and Daily Operating Costs

The Exhibit provides the average annual costs incurred to incarcerate a single inmate at each state prison complex and unit. The Exhibit is formatted the same as Exhibit IV-A, and provides the same information, only for a single inmate.

SECTION V: STATE OWNED PRISONS BY CUSTODY LEVEL

Exhibits in this Section provide the total operating costs and average daily per capita costs for state operated prisons by custody level. For each custody level, costs are provided by prison unit and in total.

Exhibit V-A1 through VE1: Total Operating Cost and Average Daily Per Capita Costs

The first exhibit for each custody level provides the total operating costs incurred to incarcerate all inmates at each state prison unit. An average daily per capita cost for each state prison unit and custody level is also provided. The Exhibit is formatted as follows:

- Complex/Unit - Title of the prison unit.
- ADP - Average daily inmate population.
- Food - Costs of inmate food.
- Programs - Costs associated with the provision of health, education, drug treatment and other inmate programs.
- Transport - Costs associated with the transportation of inmates between intake and their assigned prison (both ADC and private), ADC prison to ADC prison, and ADC prison to private prison.
- WIPP & Discharge - Work Incentive Payment Plan (WIPP) and costs associated with the discharge of prisoners from custody. WIPP costs are payments to inmates for work they perform.
- Operation, Maintenance & Security - costs associated with the general operation and maintenance of prison facilities, and security costs.
- Total Direct - Total costs directly associated with each custody level.
- Indirect - Allocated costs of central office administration and support.
- Total Annual Costs - The total costs, both direct and indirect, incurred by each custody level.
- Daily Per Capita - The average daily per capita cost to incarcerate an inmate in each custody level. Average daily par capita costs are determined by dividing total annual costs by ADP, and then by the number of days in the year.

Exhibit V-A2 through V-E2: Average Per Capita Annual and Daily Operating Costs

The second exhibit for each custody level provides the total operating costs incurred to incarcerate a single inmate at each state prison unit and custody level. The exhibits are formatted the same as the first exhibit and provide the same information, only for a single inmate.

SECTION VI: AVERAGE DAILY INMATE POPULATION

Exhibit VI, Average Daily Inmate Population, provides ADC's FY 2006 ADP. The Exhibit provides the ADP for each state operated prison and contract prison, and the community supervision program. The Exhibit also provides the number of months each prison unit or contract prison was utilized during FY 2006.

The ADP used in developing average daily per capita costs has been developed from information provided in ADC's *"Institutional Capacity & Committed Population"* reports. ADP has been developed by dividing the total number of inside and outside inmate days for each state operated and contract prison by the number of days in the year. The ADP for FY 2006 has been developed based on 365 days. The Exhibit is formatted as follows:

- Prison/Complex/Unit - Title of the prison unit.
- Custody Level - Custody level of the prison unit.
- Average for Year - The ADP from the *"Institutional Capacity & Committed Population"* report.
- Comments - In some instances information is provided at a lower level than the prison unit or at the complex level. In developing the per capita costs it was necessary to combine or allocate these to prison units within the complex. If this column has the comment "Allocated", then the ADP was allocated to the prison unit within the complex based on ADP. If this column has the title of a prison unit, then the ADP was added to the identified prison unit.
- Revisions and Additions - Actual ADP that was added or deducted from the appropriate prison unit.
- Revised ADP Total - The adjusted ADP after the additions and deductions were made.
- Complex Allocation - The allocation of ADP to complex units based on the ADP in the previous column.
- FY 2006 Final ADP Total - The ADP utilized in developing the average daily per capita costs in the Report.
- Months In Service - Number of months each prison unit or contract prison was utilized during FY 2006.

SECTION VII: DEPARTMENT OPERATING EXPENDITURES

The FY 2006 Cost Report is based on actual expenditures incurred by ADC during the State FY 2006. All expenditures have been reconciled to the State's financial information system. Exhibit VII provides ADC total FY 2006 operating expenditures by fund, both appropriated and non-appropriated. The title of ADC funds are:

☐ Appropriated Funds

1000 General Funds
 2088 Corrections
 2107 State Education
 2204 Alcohol Abuse Treatment
 2379 Transition Office
 2383 Transition Program Drug Treatment
 2504 Prison Construction & Opr.
 3140 Penitentiary Land Earning
 3141 State Charitable, Penal & Reform

☐ Non-Appropriated Funds

2000 Federal Funds
 2035 DOC - CJEF Distributions
 2277 Drug Treatment & Education
 2449 Employee Recognition
 2500 Interagency Svc. Agreement
 2515 Inmate Stor Proceeds
 3147 DOC - Donations
 3187 DOC Special Services
 3748 Risk Mgmt. Insurance Reimburs.
 4002 AZ Correctional Industries Revolving
 9000 Indirect Cost Recovery

SECTION VIII: HISTORICAL PER CAPITA COST INFORMATION

Exhibits in this Section provide historical per capita cost information for the last ten years, FY 1996 through FY 2006. The following exhibits are provided:

Exhibit VIII-A: Historical Average Per Capita Costs

The Exhibit provides the overall average per capita costs for state operated prisons, county jails, contract public beds, contract private prisons, and community supervision. The following information is provided:

- Fiscal Year - Fiscal years 1996 through 2006.
- Average Daily Population - The average daily inmate population.
- Direct Expense - Direct costs that were directly associated with a specific cost objective.
- Indirect Expense - Costs associated with central office administration and support of ADC operations.
- Total Expense - Total costs, both direct and indirect.
- Annual Per Capita - The average annual cost per inmate. Costs are determined by dividing total costs by ADP.

- Daily Per Capita - Average daily costs per inmate. The cost is determined by dividing the annual per capita costs by the number of days in the fiscal year.

Exhibit VIII-B: Historical Prison Unit Cost by Custody Level

The Exhibit provides the average total operating costs and per capita costs by custody level for State operated prisons. The Exhibit provides information by custody level and fiscal year.

Exhibit VIII-C: Historical Appropriation and ADP

The Exhibit provides ADC operating appropriations, authorized full time equivalent (FTE) positions and average daily inmate population (ADP). The following information is provided for each fiscal year:

- FTE Position - Number of FTE positions requested and appropriated.
- Agency Requested Funding - Funding requested by ADC.
- Operating Appropriation - Actual appropriated funding.
- AFIS 13th Month Actual Expenditures - Actual expenditures for the fiscal year.
- Administrative Adjustments - End of the year adjustments for expenditures that had not been paid by the close of the fiscal year.
- Average Daily Inmate Population - Average daily inmate population for state operated prisons, county jails, release centers, contract prisons, and community supervision.

THE END
